Identification of Problems Faced By Village Owned Enterprises (Bumdes) and Their Solution (Case Study in Garut Regency, West Java Province)

Mulyaningrum¹, Dewi Yuliati Indah², Erik Syawal Alghifari³, Bill Putra Marchegiani⁴

{ mulyaningrum@gmail.com¹, dewiyuliatiindah@gmail.com², eriksyawalalghifari@gmail.com³, billyputramarchegiani@unpas.ac.id⁴}

Faculty Member of Economics and Business, Universitas Pasundan¹, ², ³, ⁴

Abstract. Village Law Number 6/2014 is the implementation of accelerated economic development to improve rural communities' welfare and quality of life and reduce poverty and inequality. The supporting regulation for the Village Law is Government Regulation Number 60/2014 concerning Village Funds, namely the central government's budget reallocated directly to villages, including through Village-Owned Enterprises (BUMDES), as an institution to drive the village economy. This means that BUMDES is still facing problems in achieving performance, namely economic independence, especially during the economic crisis due to the COVID-19 pandemic. This study aims to identify the problems that BUMDES must face. In addition, another goal is to formulate solutions to suit the institutional functions of BUMDES in order to have more targeted and measurable economic and social performance.

Keywords: Village-Owned Enterprises, economic performance, social performance.

1. Introduction

Presidential Regulation Number 59/2017 concerning Implementation of Achieving Sustainable Development Goals, is Indonesia's political commitment to implementing Sustainable Development Goals (SDGs). Referring to the 10th goal of SDGs, the Government of Indonesia seeks to reduce disparities in economic growth between regions, cities, and villages. Poverty as an ever-widening income inequality has become a fundamental problem in rural economic development. Even though 80% of Indonesia's territory is rural, and 54% of the population lives in villages. Therefore, the village should be a node for Indonesia's development.

The policy of developing Indonesia from villages within the framework of a unitary state has been implemented in Law Number 6/2014 concerning Villages. The aim is to provide recognition and empowerment of the village government, by advancing the village economy and overcoming national development gaps. Supporting regulations in Law No. 6/2014 is Government Regulation Number 60 of 2014 concerning Village Funds, which has been implemented since 2015. Village funds are Central Government expenditure budgets that are reallocated directly to villages, including through Village-Owned Enterprises (BUMDES), as an institution to drive the economy village. The Central Government has allocated a Village Fund budget of IDR 257 trillion (Ministry of Home Affairs, 2020).

However, based on the Village Development Index, the independent village category has only reached 7.43%, the majority are still in the Developing village category at 73.40%, and the underdeveloped village category is at 19.17% (Central Statistics Agency, 2018). This means
that BUMDES, which should function as a social business institution, still faces problems in achieving rural economic independence. This condition got worse during the crisis due to the COVID-19 pandemic, even though the rural economy is still classified as more independent and freer from the dynamics of external factors. Without cash transactions, the subsistence economic system in rural areas should be able to support the fulfilment of daily basic needs. This will be realized if the role of BUMDES as a rural economic management institution can carry out the role of an independent economic institution. But in reality, there are still many BUMDES that have not carried out their functions. This study aims to identify the problems that BUMDES must face. In addition, another goal is to formulate solutions that are in accordance with the institutional functions of BUMDES so that economic and social performance is more focused and measurable.

2. Literature Review

Inequality in Urban and Rural Economic Development

The political commitment of the Government of Indonesia to implement the Sustainable Development Goals (SDGs) is an effort to reduce the disparity in economic growth between cities and villages (Alisjahbana & Murniningtyas, 2018). Poverty as an ever-widening income inequality has become a fundamental problem in rural economic development. Even though 80% of Indonesia's territory is rural, and 54% of the population lives in villages. Therefore, the village should be a node for Indonesia's economic development. Inequality in economic development between rural and urban areas is one of the causes of inequality in income and welfare. The Gini Ratio in urban areas in March 2021 was 0.401, while in rural areas it was 0.320 [1]. In general, income and wealth inequality between the rich and the poor in Indonesia is among the worst in the world. Countries with the highest income inequality from the Gini Ratio measure are: Russia (4.5%), India (58.4%), Thailand (58.0%), Indonesia and (49.3%). Indonesia is in fourth position, meaning that the richest 1% of Indonesians control 49.3 percent of national wealth [2]. Apart from the Gini ratio, an indicator of inequality in economic growth that has the potential to cause social problems is the unemployment rate in rural Indonesia which is still high, as many as 6.1 million people [3]. This is supported by the findings of previous research, that the Covid 19 pandemic has had an impact on an increase in the unemployment rate [4]; [5]; [6].

In general, the main social problems that occur in many rural areas in Indonesia include high unemployment, poverty, and environmental damage. At present, unemployment and lack of welfare in rural areas are the most complicated problems that are still difficult for the Indonesian government to handle. Villagers tend to have lower welfare than city dwellers. The increase in the number of poor people in September 2020 mostly occurred in rural areas by 13.20%, while for urban areas it was only 7.88%. Thus, the composition of the poor population between urban and rural areas, the percentage of poor people in rural areas is still much higher than in urban areas [7]. The limited employment opportunities in rural areas, both in terms of variety and number, are partly due to the fact that most of the available rural economic activities are still focused on the traditional agricultural sector. The development of opportunities for economic activity in other sectors is constrained by various aspects, not only human resources but also other economic resources. Limited job opportunities and slow economic growth have pushed some rural residents, especially men, and the younger generation, to migrate to cities to look for other job opportunities. Indonesia is proven to be one of the countries with the fastest urbanization growth...
in the world. Population projection data from the Central Bureau of Statistics shows that in 2020 as many as 56.7% of Indonesia's population live in urban areas and it is predicted that this number will continue to increase [8].

The problem of spatial inequality both socially and economically that occurs as a result of the COVID-19 pandemic in Indonesia, especially in rural areas, must immediately find a solution so as not to disrupt development and national stability. In addition, the next problem is increasing urbanization. The Central Bureau of Statistics stated that 56.7% of Indonesia's population lived in urban areas by 2020 [1]. Therefore, what is most needed at this time is a real solution to help overcome development inequality that has caused social and economic problems for people in rural areas.

**The Role of BUMDES in Rural Economic Development**

BUMDES is a business institution recommended by the Government of Indonesia for development. The purpose of developing BUMDES is to support the welfare of society in general. However, due to limited human resources, the management of BUMDES requires the involvement of organizational collaboration and human resources so that they can run their business for the management of BUMDES. Therefore, it is necessary to develop strategic human resources for the management of BUMDES.

According to Law Number 6/2014 concerning Villages, and supported by Permendesa Number 24/2015, Village-Owned Enterprises (BUMDES) are pillars of economic activity in villages that have two functions. *First*, as a social institution, BUMDES must side with the interests of the community through its contribution to the provision of public services. *Second*, as a commercial institution. In 2017, there has been an increase in the number of BUMDES throughout Indonesia, with 12,115 recorded, a 12-fold increase compared to 2014. The total allocation of village funds disbursed to 72,000 villages throughout Indonesia reached IDR 60 trillion to build an economic institutional model that is capable of being independent. Therefore, the emergence of BUMDES should be able to develop a spirit of social entrepreneurship, which will eventually become the backbone of rural economic development. But unfortunately, BUMDES still faces many challenges in carrying out its functions.

**Dimensions and Performance Indicators on BUMDES**

BUMDES performance according to theory Emron Edison (2017:56) is an activity carried out by an organization at a certain time to improve the skills and expertise of its human resources. These organizational entities are ultimately able to increase the productivity of the organization as a whole. Furthermore, the dimensions and performance indicators of BUMDES are:

1. **Human resource competencies** are competencies related to knowledge, skills, abilities, and personality characteristics that directly affect their performance. The indicators are: (a) Having extensive knowledge, (b) Having the ability to anticipate change

2. The availability of human resources is a certain ratio that serves as a guideline for the completion of an activity or work. The indicators are: (a) Number of human resources, (b) Ease of dividing work tasks

3. **Execution of activities** is a certain business that is carried out to realize a plan or program. The indicators are: (a) Activity process, (b) Work infrastructure
4. Control and evaluation are a process of systematic regulation of various organizational activities to be consistent and ensure the achievement of the goals set in the plan. The indicators are: (a) Corrective action, (b) Work direction

3. Methodology

Perspective of Research Approach
This study uses a qualitative descriptive approach to raise and analyze a problem. This is because the problems that must be overcome require an exploration of the potential and constraints faced by BUMDES managers in a more basic and straightforward manner. All information as a result of the exploration of BUMDES will be displayed as is without manipulation or treatment. It is necessary to present a complete description of the social setting for exploration and clarification of a phenomenon or social reality.

The purpose of descriptive research is to produce an accurate picture of the phenomena that occur in BUMDES and stakeholder groups. The group can describe the mechanism of a process or relationship, which provides a complete description in verbal form. Next, it presents basic information about a relationship, creates a set of categories, and classifies research subjects.

Methods of Data Collection
Data collection techniques were carried out by observation and in-depth interviews with BUMDES administrators and community leaders. In addition to conducting Focus Group Discussions (FGD). Furthermore, an analysis is carried out using activities beginning with exploring the potential of social capital that is able to promote togetherness, kinship, and mutual cooperation. This social capital is important as a prerequisite for developing a sustainable self-sufficient economy in rural areas.

Data Analysis Technique Flow
(1) Data reduction: the data obtained from the field is quite a lot, so it needs to be recorded carefully and in detail. Data reduction is the selection of data that is of concern to research. The reduced data has a large amount, so it is important for researchers to choose the right and accurate data. In this study, various kinds of data will be selected, and obtained through direct interviews, observations, and documents.

(2) Data display: in presenting the data, the researcher will draw conclusions on a set of information obtained. Then present it in the form of narrative text.

(3) Conclusion drawing and verification: the researcher will draw initial conclusions from the existing provisional results. In this case, the researcher is trying to draw a conclusion that is expected to be able to answer the formulation of the problem that has been formulated.

4. Results and Discussion

Common Problems in the Economy in Rural Areas
The problem of spatial inequality both socially and economically that occurs as a result of the COVID-19 pandemic in Indonesia, especially in rural areas, must immediately find a solution so as not to disrupt the development process and national stability. In addition, the next problem is increasing urbanization. By 2020, 56.7% of Indonesia's population live in urban areas [1]. Therefore, what is most needed at this time is a real solution to help overcome development
inequality. If this is postponed, it will cause social and economic problems for people in rural areas.

According to Law Number 6/2014 concerning Villages, which is supported by Permendesa Number 24/2015, Village-Owned Enterprises (BUMDES) are pillars of economic activity in villages that have two functions. First, as a social institution, BUMDES must side with the interests of the community through its contribution to the provision of public services. Second, as a commercial institution. In 2017, there was an increase in the number of BUMDES throughout Indonesia, there were 12,115, an increase of 12 times compared to 2014. The total village funds allocated to 72,000 villages throughout Indonesia, amounted to IDR 60 trillion to build a rural economic institutional model. Therefore, the emergence of BUMDES should be able to develop a spirit of social entrepreneurship. In the end, BUMDES is expected to be the backbone of rural economic development. But unfortunately, BUMDES still faces many challenges in carrying out its functions.

Problems faced by BUMDES in general

Several BUMDES managers stated that they faced many problems, so that thousands of BUMDES did not work properly, or even did not function at all. [9]. BUMDES does not exist exclusively but is established through village regulations. BUMDES is prepared by the Village Head together with the Village Consultative Body. In its management, BUMDES stands alone but is still under the supervision of the Village Government. This is because the income from each managed business unit will be included in the village's original income (Pendapatan Asli Desa), which is then used to build village facilities and finance community empowerment activities. The hope is that BUMDES can become the backbone of the village economy in order to achieve increased welfare for its citizens [10]. Therefore, the progress of BUMDES is very dependent on its management, namely its human resources, as a primary asset.

If human resources as managers have broad insight and good managerial skills, then BUMDES will be able to achieve good performance. The story of Ponggok Village, Polanharjo District, Klaten Regency, Central Java Province, which has succeeded in developing BUMDES. Ponggok Village is proving that BUMDES can become a center for village economic activity that can improve the welfare of its people. By managing the village's potential and involving local institutions, such as the Association of Farmers, Environmental Management Unit, and Social Management Unit, and all members of the community, BUMDES has succeeded in developing by managing various business units [11].

Some of the problems stem from human resources as managers of BUMDES, including inadequate mastery of managerial skills [12]. It is not easy for villages to find someone who has superior managerial skills in terms of business management. Even if there are residents who have such abilities they usually already work elsewhere. Even if he is appointed to manage BUMDES, it will only be part-time. For young people, BUMDES is still less attractive. It is still difficult to convince young people that BUMDES can guarantee the welfare of its activists. This is what makes young people not take such action as BUMDES managers. As a result, the business logic built by most of the BUMDES is still carried out according to the conventional model because it is run by the elderly.

According to Grant (in Agus, 2017), states that a resource management strategy is a comprehensive plan regarding the deployment of resources to achieve a profitable position. Basically, a resource management strategy is a tool that links the organization with its environment. Therefore, the organization must utilize all available resources to align the organization with its environment. Based on the theoretical opinion of Kurniawati (2015), the
characteristics of human resource development include (1) planned efforts from the organization to increase potential; (2) Performed continuously in the long term; (3) Ensuring the availability of human resources in accordance with the needs of the position; (4) Increasing individual performance which leads to organizational performance.

The case of BUMDES in Garut Regency

The general condition of BUMDES in Kadungora District, Garut Regency has a type of clean water management business activity by providing services for the installation of clean water installations for households. BUMDES obtains a source of business income through monthly fees from clean water consumers of IDR 15,000 (fifteen thousand rupiah) from villagers. This was done without village regulations governing the legality related to these business activities.

BUMDES has carried out business development in 2020 by proposing business capital applications to the Village Government. This proposal was approved by the Village Head through equity participation sourced from the Village Revenue and Expenditure Budget by Village Regulation (Anggaran Pendapatan dan Belanja Desa) based on Village Regulation (Peraturan Desa) Number 6 of 2020 concerning capital participation of IDR 90,000,000 (ninety million rupiah). The capital is allocated in the form of lending to community members. But in practice until the end of December 2021 the collection of this loan did not go smoothly resulting in bad credit.

During the transition period from the old management to the new management, the previous management did not include an accountability report on BUMDES activities. This includes the development of a savings and loan business and management of BUMDES assets in accordance with generally accepted accounting. The new management took the initiative to inventory BUMDES' assets, including the number of receivables, by confirming the receivables from the debtor who borrowed them.

The results of identifying the problems faced by BUMDES include: (a) Management resources are not yet optimal; (b) There is no management technical guidance facilitation; (c) Inadequate building/other facilities; (d) Not yet optimal outreach to small and medium business actors; (e) Inadequate capital and financing facilitation. Based on the results of an analysis of the existing conditions, there are several challenges and problems faced by BUMDES in Garut Regency. Therefore, strategies and solutions that can be developed are shown in Table 1.

<table>
<thead>
<tr>
<th>No</th>
<th>Problems faced</th>
<th>Strategies and Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Insufficient educational qualifications, except for Advisors and Directors, namely Bachelor of Social and Bachelor of Education</td>
<td>Increasing BUMDES managerial knowledge and skills through training and technical guidance</td>
</tr>
<tr>
<td>2</td>
<td>The education level for advisers and directors is a bachelor. For supervisors, secretaries, and treasurers only up to high school</td>
<td></td>
</tr>
</tbody>
</table>

Table 1. Strategies and Solutions for BUMDES
<table>
<thead>
<tr>
<th>No</th>
<th>Problems faced</th>
<th>Strategies and Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>The term of office of all administrators starts in January 2022</td>
<td>Improve managerial skills in management through comparative studies with BUMDES in other districts or cities that have more advanced BUMDES.</td>
</tr>
<tr>
<td>4</td>
<td>The average level of working speed is still in moderate condition.</td>
<td>The time line of each field of work needs to be checked again, if there is a deviation it can be rearranged so that it is fast and on time.</td>
</tr>
<tr>
<td>5</td>
<td>Some administrators already have BUMDES managerial knowledge, but specific matters such as financial management, financial accounting, and budgeting are still not optimal</td>
<td>Specific knowledge related to financial management can be increased through training according to the needs.</td>
</tr>
<tr>
<td>6</td>
<td>BUMDES managers are quite capable of dealing with change</td>
<td>Capacity building through management technical guidance from a managerial perspective, from the aspect of increasing contemporary literacy.</td>
</tr>
<tr>
<td>7</td>
<td>Work facilities and infrastructure are quite complete but still inadequate</td>
<td>Inventory of the most needed facilities and infrastructure in advance to support all existing activities.</td>
</tr>
<tr>
<td>8</td>
<td>Corrective action has not been taken</td>
<td>Increased monitoring and evaluation of activities at least once a month</td>
</tr>
<tr>
<td>9</td>
<td>The work instructions given already exist but are not optimal</td>
<td>Work instructions should be clarified</td>
</tr>
</tbody>
</table>

Sources: Primary data, 2022

Employee performance greatly affects BUMDES performance, high and low levels of employee and manager performance affect institutional performance (Swandari, Setiawina, and Marhaelani 2017). Based on the problems from point one to point nine (see Table 1), conceptually and empirically it can be explained as follows:

**Level of Education**

Education is very important in society. The level of education will determine the high or low quality of human resources. The higher the educational background of human resources, the higher the quality of these human resources (Wirawan et al., 2019). Education has a positive impact on cognitive, affective and psychomotor values for all human resources. Educational background is a stage of development that will determine the goals to be achieved. For someone, educational background is essentially the effort made to achieve high productivity. Therefore, the educational background is closely related to the quality of employees required by the company, and facilitates the development of general skills of employees. Therefore, one of the most important aspects for personnel to accept new prospective employees for the company is education. The greater the employee's background, the greater the contribution or performance given to the company. As a result, a positive impact on the survival of the company (Sukriani et al., 2018).

Educational background can be seen from two aspects, namely the suitability of the field of knowledge with the field of work, and the level of education. According to Law Number 20 of 2003 concerning the National Education System, education level is education that is determined based on the level of development of students, and is intended to achieve the goals to be
achieved and the abilities to be achieved. Meanwhile, the definition of suitability for majors is that before an employee is hired, the company will conduct an analysis of the educational level of the prospective employee and the suitability of the major. This is intended so that employees can be placed in accordance with their educational qualifications, so that employees can provide good performance.

Competition for jobs is very high, influencing people to upgrade their skills and experience. As a consequence, many workers have to struggle, because they often feel helpless, do not like their jobs, resulting in substandard results. Formation, preparation, coaching, and capacity building of human resources is very dependent on education. Adjustment of employee formal education to the field of work faced by employees is the main goal of education. This also ensures that the level of education of employees is in accordance with the requirements of the position to be carried out (Yusman et al., 2021).

**Work experience**

Individuals with expertise have an easier time communicating and working together in groups at all levels, both in companies and in government. Thus, those who have job skills will be better prepared to carry out the task. Through active participation in work-related activities, workers will gain experience. Employees with years of experience in their field are better equipped to address and solve problems (Sukriani et al., 2018).

Experienced workers are superior to newcomers. They know better how to handle the challenges and opportunities that arise in the workplace. A person's capacity to develop more advanced will be supported by the knowledge, abilities, and perspectives gained through their work experience. Likewise, a person's competence and skills in carrying out his work duties will be influenced by experience. Therefore, in carrying out the daily tasks of an employee means adding experience. This increases the ability to handle problems better (Leatemia, 2018).

A person's level of expertise in a job can be measured both by length of service in a particular position, and the quality of previous training and education in the related field. Therefore, work experience plays an important role in the progress of the organization. Experience is one of the factors that can affect employee performance. Likewise with the knowledge, skills, and abilities needed to carry out tasks from previous jobs. The ability to maintain the productivity and performance of individuals who are competent in their fields depends on their ability to position themselves in the right conditions. The courage to take risks in facing challenges will complement its performance (Alias & Serang, 2018).

**Work Skills (Work Speed Aspect)**

Another aspect that is often problematic is work speed, which is a psychological aspect of attitude, endurance, and work systematics. Attitude is a worker's mindset that determines how well he does his job. While the aspect of work speed is an individual's ability to do a job within a certain time limit. The company's view of work skills can be defined as a collective set of values, norms and assumptions about how work should be done (Pakpahan, 2003).

Work speed is an indicator of the skill dimension. Job skills will increase productivity, because workers who have strong cognitive, physical and interpersonal abilities will produce better results. The same goes for communication skills between employees at work, and good teamwork. At work, there is the ability to maintain an optimistic mindset, backed by the intelligence to ensure that tasks are completed on time and to the highest standard (Tolo et al., 2016).
Based on this explanation, the aspect of work speed is the main key in increasing productivity which has an impact on performance. Therefore, BUMDES must pay attention to the time line of each field of work. If there is a deviation, it can be rearranged so that it is fast and timely.

**Competence of Human Resources on Knowledge Aspect**

Knowledge plays an important role in determining a person's openness to new ideas, willingness to try new things, and willingness to take initiative. It is very necessary to complete even the most basic tasks in the workplace. Several signs that someone is capable can be seen, among others: (1) critical thinking; (2) understand the work adequately; (3) technically competent; and (4) have a holistic perspective.

Knowledge is the ability of human resources in achieving its goals. This is related to the level of education he has taken, the field he studied, and the educational background in his family. Knowledge will contribute to empowering organizations or communities, thus playing an important role in improving human resources (Fadhil, 2016). The ability to carry out the duties and authority of an employee will be the goal of working efficiently and effectively. This is an example of capacity, which is part of human resource competency. The ability to do, to produce results, is at the heart of what it means to have capacity (Laksmi & Sujana, 2019).

BUMDES managers must have competencies supported by education, experience, training, and understanding of accounting. In addition, knowledge of the rules and procedures related to village financial management is needed, so that they can understand the objectives of BUMDES financial management effectively. This is important to ensure that BUMDES funds are managed properly, and the reports produced are in accordance with financial management standards as mandated by the government. Therefore, specific knowledge related to financial management must be increased through financial management training.

**Competence of Human Resources from the Aspect of Change**

The best results can only be achieved together with the ability to overcome structural and cultural aspects in dealing with change. However, in practice, decision makers often ignore cultural change. They only focus on structural change, because the effects of cultural change are more difficult to see. Therefore, increasing the resilience of an organization to new threats and opportunities, is very important in effective change management. That is, to make organizations more adaptive and flexible, it is necessary to make efforts to implement changes in human behavior and internal processes (Poluakan, 2016).

Change starts at a point and continues through a series of steps, until the desired result is achieved. Each transition has a unique beginning, middle, and end. In business, transformation occurs when established norms and practices have to be abandoned, to achieve modernization. To cope with external fluctuations, businesses must regularly invest in growth. In the future, you can expect to see various changes that define the design concept (Jansen et al., 2019). Therefore, to adapt to environmental conditions which are full of uncertainties, BUMDES managers must have the ability to deal with change. This can be done by increasing capacity through management technical guidance from a managerial perspective and increasing current literacy.

**Implementation of Activities Aspects of Facilities and Infrastructure**

Infrastructure and facilities are the main supporting aspects that enable an activity to take place and succeed as desired. Meanwhile, success directly refers to the achievement of a goal. Equipment and infrastructure are the means by which an activity is carried out and its objectives
can be achieved. Every business has a unique purpose, so its infrastructure and facilities are defined by its unique mission and priorities (Sinta & Syelviani, 2021). The provision of facilities can be seen as an incentive to increase productivity for its staff. The following are several objectives to improve performance to be achieved by providing facilities and infrastructure: (a) Faster completion of tasks; (b) Higher yields; (c) Higher quality of work; (d) Improved ease of use; (e) More effective use of resources. Work facilities and infrastructure are very supportive in the activities carried out by BUMDES, but in reality, they are not sufficient. Therefore, investments must be made immediately for the most needed facilities and infrastructure so that they can support all activities.

**Aspects of Control with Corrective Action**

Human resources and technology infrastructure have a significant impact on the effectiveness of their internal control processes. To ensure that company funds are not misused, it is important to carry out evaluations and corrections before carrying out the next plan. Once the business matures, managers are responsible for overseeing all of its internal processes. Controls are devices used to monitor what is being done and what will be done. An organization's internal control structure is a mechanism by which its leaders can ensure the reliability of financial reporting, the efficiency and effectiveness of business operations, and compliance with all relevant laws and regulations (Latifa & Widyawati, 2017).

Management control structures and processes must be developed in a way that encourages managers to achieve organizational goals. In addition, it is necessary to provide data to measure the success of managers in doing so. Managers have difficulty completing work and achieving company goals. To reap the benefits of a management control system, managers must perform a number of managerial tasks. The condition is that there are BUMDES research locations, this corrective action has not been sufficiently implemented. Therefore, it is still very necessary to increase monitoring and evaluation of activities, at least once a month.

**Control and Evaluation of Work Directive Aspects**

Improving employee performance is one of the ways in which a business can boost production. In this situation, the position of a leader is very important to provide work direction that can be understood and accepted by his subordinates (Setyawan et al., 2016). Work directions can come in many forms. However, all of them must be able to explain a series of actions taken to complete tasks according to established guidelines or protocols.

To make a comprehensive work guide, the task completion instructions must include the following: (a) in a logical sequence; (b) With clear step by step illustrations; (c) does not involve a series of interdependent steps; (d) A visual representation of this process in action is preferred; (e) Always double check with management or quality assurance to be sure. Based on this, it is better for BUMDES to clarify work directions by making a comprehensive work guide accompanied by explanations.

**5. Conclusion**

1. BUMDES business capital has been proposed to the Village Government. The capital by the management of BUMDES is allocated in the form of lending to the community. But in practice until the end of December 2021 the collection of this loan did not go smoothly resulting in bad credit.
The strategy for managing human resource management at BUMDES is quite good, but there must be a special long-term strategy development, especially on the factors of education, experience, skills and technological capabilities.

Business performance at BUMDES still needs to be improved on human resource competency factors, availability of human resources, and implementation of activities, as well as control and evaluation.

Constraints in managing BUMDES include: a) Management resources are not yet optimal; b) There is no management technical guidance facilitation; c) Inadequate facilitation of buildings/other facilities; d) Socialization of small and medium enterprises actors are not yet optimal; e) Inadequate capital facilitation

References